

Changes in TDS/TCS from F.Y. 2009-10

The Central Board of Direct Taxes has recently made some major changes in Tax Deduction at Source (TDS) & Tax Collection at Source (TCS) Rules through The Income Tax (8th Amendment) Rules, 2009 with effect from April 1, 2009 which are being summarized as below :

- 1. Compulsory E-Payment** – The new rules demand compulsory e-payment of the tax so deducted/collected by all the assesseees, which was earlier mandatory only for the corporate assesseees or any other person to whom the provisions of Section 44AB of the Income Tax Act, 1961 were applicable.
- 2. Challan Form** – A new challan form has been prescribed for the payment of TDS/TCS called Form No. 17 instead of earlier Challan No. 281. Another major change in the challan form is that the new challan is section-independent and the assessee can pay all his tax deducted/collected under different sections in a single challan only
- 3. Annual Filing of Quarterly Returns** – Another major change which has been introduced is though the quarterly returns namely Form 24Q, 26Q, 27Q and 27EQ remain the same, the due date of filing of these returns has been fixed at June 15th. Hence, the assesseees can submit the returns annually but in quarterly format only.
- 4. TDS/TCS Compliance Statement** – All the assesseees, whether or not they have deducted/collected any tax during the quarter, are required to file a TDS/TCS Compliance Statement in Form 24C which contains the section wise (all) information of total payment, total amount eligible for deduction/collection, total amount considered for TDS/TCS at full rate, amount of TDS/TCS at full rate, total amount considered for TDS/TCS at lesser rate, amount of TDS/TCS at lesser rate and total TDS/TCS. The due dates for filing of Form 24C remain at July 15, Oct. 15, Jan. 15 and June 15 for the respective quarters of the year.

It may be important to note that inspite of some major structural changes in payment system of TDS/TCS, the due dates of the payment of TDS/TCS to the credit of Central Government have not been changed.